

**Study Committee on
State Funding of
Hospitals and Senior
Centers Operating on
Indian Reservations**

Annual Report

December 31, 2000

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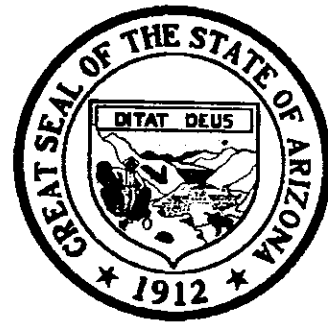
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**Study Committee on State Funding of
Hospitals and Senior Centers Operating
On Indian Reservations**



**Annual Report
December 31, 2000**

Committee Members:

Senator Edward Cirillo Co-chair
Senator John Huppenthal
Senator Jack Jackson
Kathy Benally
Ferlin Clark
Vanessa Hill
Sharon Nelson
Vacant

Representative Sylvia Laughter Co-chair
Representative Karen Johnson
Representative Jim Weiers
Henry Blanco
Honorable Percy Deal
Leo Gishie
Alfred Yazzie

Study Committee on State Funding of Hospitals and Senior Centers Operating On Indian Reservations

Report for 2000

Background

To examine the allocation and use of monies among and within the Indian Reservations in this State, including: (1) the delivery of hospital and other health services; (2) the delivery of senior services and the construction of senior centers on the respective Indian Reservations; (3) the distribution of State monies for other programs administered by the Departments of Health Services and Economic Security; and (4) issues relating to providing duplicate services by federal, State and tribal agencies. On or before December 1, 2000, the Committee shall submit a report of findings and recommendations to the President of the Senate and the Speaker of the House of Representatives.

Committee Members:

Senator Edward Cirillo Co-chair
Senator John Huppenthal
Senator Jack Jackson
Kathy Benally
Ferlin Clark
Vanessa Hill
Sharon Nelson
Vacant

Representative Sylvia Laughter Co-chair
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Representative Jim Weiers
Henry Blanco
Honorable Percy Deal
Leo Gishie
Alfred Yazzie

Staff

Jason Bezozo, Senate
Larry Chesley, House of Representatives

Senate Research

ARIZONA STATE LEGISLATURE

Interim Meeting Notice

CANCELLED

Open to the Public

Study Committee on State Funding of Hospitals and Senior Centers Operating on Indian Reservations

DATE: Monday, November 13, 2000

TIME: 2:00 PM

PLACE: House Hearing Room 3

AGENDA

1. Introduction and Opening Remarks
2. Presentation on Hospitals Operating on the Navajo Nation – Mr. Ferlin Clark, Sage Memorial Hospital
3. Presentation on Senior Centers Operating on the Navajo Nation – Ms. Kathy Benally, Navajo Area Agency on Aging
- > 4. Public Testimony
5. Recommendations
6. Future Meetings
7. Adjourn

MEMBERS:

Senator Edward Cirillo - Co-chair
Senator John Huppenthal
Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson
Vacant

Representative Sylvia Laughter – Co-chair
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco
Honorable Percy Deal
Mr. Leo Gishie
Mr. Alfred Yazzie

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11/8/2000

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ARIZONA STATE LEGISLATURE
Forty-fourth Legislature – Second Regular Session

**STUDY COMMITTEE ON STATE FUNDING OF HOSPITALS AND SENIOR
CENTERS OPERATING ON INDIAN RESERVATIONS**

Minutes of Meeting
Monday, November 20, 2000
House Hearing Room 4 – 11:00 a.m.

(Tape 1, Side A)

Co-Chairman Laughter called the meeting to order at 11:10 a.m. and attendance was noted by the secretary.

Members Present

Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson

Representative Laughter, Co-Chairman
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco
Mr. Leo Gishie

Members Absent

Senator Edward Cirillo, Co-Chairman
Senator John Huppenthal
Mr. Mellor Willie

Honorable Percy Deal
Mr. Alfred Yazzi

Speakers Present

Jason Bezozo, Senate Majority Research Analyst
Travis Mallen, Senate Minority Research Analyst
Charles Ney, Physician's Assistant, Dennehotso Clinic
Alex Yazza, Director, Navajo Nation Temporary Assistance for Needy Families (TANF)
Program
Lee Begay
Janet Regner, Lobbyist, Hopi Tribe
Herman Tso, CPA, LeChee Senior Center

Guest List (Attachment 1)

OPENING REMARKS

Co-Chairman Laughter invited all Members to introduce themselves to the audience. She then requested that Mr. Bezozo state the purpose of the Committee.

Jason Bezozo, Senate Majority Research Analyst, explained the purpose and listed the provisions as follows:

The purpose of the Study Committee is to examine the allocation and use of State funds for tribal hospitals, health services, senior services, senior centers and other programs administered by Department of Economic Security (DES) and the Department of Health Services (DHS). The Study Committee is charged with reporting their findings and recommendations regarding duplication of services by federal, State and tribal agencies to the Legislature by December 1, 2000.

Requirements/Provisions

1. H.B. 2578 requires the Study Committee to examine the allocation and use of the state monies among and within the Indian reservations for delivery of hospital and other health services, delivery of senior services, construction of senior centers and other programs administered by DES and DHS.
2. Requires the Study Committee to consider issues relating to duplicate services by federal, state and tribal agencies.
3. Requires the Study Committee to report their findings and recommendations to the President of the Senate and Speaker of the House of Representatives by December 1, 2000.

HOSPITALS OPERATING ON THE NAVAJO NATION

Ferlin Clark began his presentation by explaining that the Navajo Health Foundation-Sage Memorial Hospital is a private non-profit hospital operating on State land in Ganado, Arizona. He referred Members to a booklet entitled *Navajo Health Foundation* (Attachment 2). Sage Memorial Hospital is the oldest Native American hospital operating on an Indian reservation in the United States. He explained that the Navajo Nation had a bill drafted during the 1999 legislative session that included an appropriation for \$16 million to be used for capital improvements and maintenance costs. He pointed out that the bill did not make it through the legislative process because it was not an appropriation year.

Mr. Clark related that Sage Memorial Hospital continues to operate on limited State funding support while providing essential health services to approximately 63,000 patients annually. Sage Memorial Hospital serves both Native and non-Native patients. The annual operating budget is \$14 million; most of the funding is spent on direct patient care.

He declared that Sage Memorial Hospital receives only 64 percent of allowable reimbursement from the Arizona Cost Care Containment System (AHCCCS), which is otherwise known as

Medicaid. This is the federal portion. Sage does not receive the 34 percent in matching funds from the State of Arizona. Mr. Clark informed Members that Medicaid reimburses all other non-profit hospitals in the state at 100 percent of allowable charges. He advised members that unlike federal facilities, Sage is not eligible to receive federal rates, discounts, vehicles, capital equipment, medical supplies, medication, or funds as a designated federal hospital or clinic for travel. He stated that Sage, like other hospitals, is able to bill third-party payers and raise funds through its philanthropy program. Sage dedicates its funds to direct patient care to the detriment of its facilities, equipment, and infrastructure.

Mrs. Johnson asked who manages Sage. Mr. Clark responded that the Navajo Health Foundation runs the hospital. He noted that the hospital is not a non-profit 501(c) 3 corporation; Sage is incorporated by the State of Arizona. Mrs. Johnson asked if the State would pay the 34 percent if Sage would become a federal entity. Mr. Clark said that it is possible, but he was unsure. He declared that Sage wishes to keep its identity and would like to receive the State support in at least matching some of the philanthropic entities. He disclosed some of the grim conditions at Sage: the CAT scan machine is located on the outside of the hospital; patients must be wheeled outside whether they are comfortable or not in order to have a CT scan; the hospital uses a steam heating system.

Co-Chairman Laughter asked Mr. Clark where he would like the funding to come from. Mr. Clark responded that the money should come from the Department of Health Services (DHS) and an appropriation from the State. Senator Jackson pointed out that last year this bill was introduced by Ganado. The bill failed in the legislative process due to the fact that it did not detail how the money would be spent.

Travis Mallen, Senate Minority Research Analyst, declared that if the Proposition 204 provisions do not eat up the tobacco settlement, there could be funds available for the hospitals and senior centers. Ms. Nelson asked if there is a certain amount of money that is already allocated to the Navajo Nation. Mr. Mallen responded that there is not an automatic allocation to anything. He added that the Legislature has complete discretion as to where the leftover monies will be appropriated.

DENNEHOTSO REQUEST FOR ASSISTANCE

Charles Ney, Physician's Assistant, Dennehotso Clinic, stated that he lives in the Four Corners area—Dennehotso, Arizona. This is 50 miles northeast of New Mexico. He declared that Dennehotso is a small community; it has about 1,200 residents. The town consists of a Bureau of Indian Affairs (BIA) boarding school, post office, Dennethotso chapter house, and the Dennehotso Health Clinic. He noted that residents of Dennehotso must drive to boarding cities or towns in order to obtain necessities.

Mr. Ney related that the Dennehotso's clinic covers quite a bit of land. The Clinic serves approximately 7,500 people; the staff at the Clinic include Mr. Ney, Marie Chischilly, Dan Bradley, a patient care assistant, and an emergency helper. He mentioned that all of the staff are bilingual. Primary care, well-child exams, immunizations, minor surgeries, pediatric care, and many other services are offered by the clinic.

He stated that the clinic is a non-profit 501(c) 3 organization. He advised Members that during the first five years that the Clinic was open it barely survived. The staff was dedicated and they went through those years with "absolutely no benefits." He asserted that he and his staff have even gone without a salary for three or four months at a time in order to keep the doors open at the clinic. Mr. Ney disclosed that the Tribe gave the clinic approximately \$65,000; his church gave them approximately \$10,000. This, he declared, is the reason the doors remain open at the Clinic. He apprized Members that only two out of ten patients pay for services rendered by the Clinic, because the patients are unemployed, uninsured, and have no money. He stated that the patients are unemployed because there are no jobs available in Dennehotso.

Mr. Ney informed Members that a lot of his patients are eligible for AHCCCS, but the AHCCCS office is over a hundred miles away. He related that transportation is a big issue in Dennehotso due to the unemployment factor, and added that it is totally unrealistic to expect someone to sign up for AHCCCS when the office is so far away. He also pointed out that there are only two dentists in the entire area, so the children's teeth are in very poor condition.

He gave the following answers in response to questions asked by Members:

- ☐ Mr. Ney is a physician assistant.
- ☐ Can perform 99 percent of a physician's duties.
- ☐ Has standing orders of what he can and cannot do.
- ☐ Has a supervising physician that he sees once a month.
- ☐ Is Board Certified in primary care and surgery.
- ☐ Clinic consists of two examining rooms, pharmacy, screening room, a very small lab, and medical records office.

Mr. Blanco asked if there were a home health service for those who are unable to come to the Clinic. Mr. Ney declared that the Clinic needs a vehicle to go out to private homes. He noted that one out of every three adults is diabetic and added that "a handful have Type 2 diabetes." Currently, a clinic staff member travels to private homes to check on elderly patients. The tobacco settlement and private donations are funding the Clinic.

Mr. Gishie asked Mr. Ney to submit a budget detailing all expenses, which will justify the amount of money requested. Mr. Ney stated that he would submit a budget as soon as possible.

SENIOR CENTERS OPERATING ON THE NAVAJO NATION

Kathy Benally stated that the Navajo senior centers were given \$300,000 to be divided amongst the centers. She added that the Navajo Nation matched this dollar amount. She pointed out that the money was divided amongst the centers, and each center was not given sufficient funds in order to construct new buildings. She informed Members that the senior centers needed approximately \$400,000 to \$500,000 each to construct new buildings; therefore, they decided to reserve the funds that they have been given previously in hopes of receiving more money to assist with the projects. This is why the Navajo Nation needs more funding.

Mr. Jackson commented that Ms. Wyaco, Ms. Benally's supervisor, should be present during these discussions. Co-Chairman Laughter agreed and declared that the proceedings could not be protracted due to Ms. Wyaco's absence. Mr. Clark interjected that the State of Arizona and Navajo Nation should work together in matching funds for the senior centers. There are a total of 82 senior centers on the Navajo Nation. The centers need approximately \$400,000 each, a total of \$120 million. The senior centers serve a multitude of programs.

Co-Chairman Laughter stated that last year's bill requested approximately \$3,415,050 for 17 specific senior centers in the Navajo Nation. She apprized members that modular buildings are less expensive to build.

Mr. Blanco commended Ms. Benally for the work she has done and continues to do for the senior centers.

NAVAJO NATION TANF PROGRAM

Alex Yazza, Director, Navajo Nation Temporary Assistance for Needy Families (TANF) Program, explained that the Navajo Nation started the TANF program in October 2000. The Navajo Nation submitted their grant application pursuant to Section 412 of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. He referred Members to a handout entitled *Funding Proposal to the State of Arizona* (Attachment 3). This Act authorizes Indian tribes to apply for and administer their own tribal TANF programs. He pointed out that the Navajo Nation TANF Program would serve approximately 9,000 Navajo families totaling over 27,000 individuals, residing on the Navajo Nation. Mr. Yazza apprized Members that the Navajos are a non-gaming tribe, unlike many other tribes. They must rely on the Tribe's general fund or come before the Legislature for appropriations in order to fund programs.

Mr. Yazza noted that the goal of the Navajo Nation TANF Program is to assist its tribal needy families with financial support and most importantly, to promote and support tribal children and their families with the necessary social tools to reach their full potential to achieve self-sufficiency. He declared that another goal is to develop a regional service delivery mechanism for client accessibility which integrates various tribal and state support services providing a "one-stop" service delivery. These one-stop administrative complexes would encompass a number of the assistance programs in one location. He explained that it is pertinent these services are established in such a way that they are accessible to Navajo clients who, in most cases, must travel great distances to receive services. The "one-stop" service delivery concept is feasible for programs to network and integrate resources to provide efficient service delivery systems.

The Nation has selected 13 sites across the Navajo Nation for regional TANF offices. Mr. Yazza related that the Nation would like to move away from modular buildings, because these buildings only last for 10 to 15 years. He related that the Navajo Nation is in dire need of adequate buildings and facilities to locate these offices at the regional site locations. Currently, there is a tremendous lack of community public facilities to be leased on the reservation. Of the very few which exist, they are far too dilapidated and costly to renovate. Co-location with the Arizona

Department of Economic Security and other tribal programs is not feasible for lack of space and structural inadequacy. The majority of the tribal programs operate with federal funds, which allows solely for lease or rental offices. He cited the following information in regard to the capital outlay request to the Arizona State Legislature:

SITE	DESCRIPTION	COST
Chinle TANF Office	8,000 sq. ft. conventional office building	\$930,000.00
Fort Defiance TANF Office	6,000 sq. ft. conventional office building	\$660,000.00
Tuba City TANF Office	6,000 sq. ft. modular office building	\$660,000.00
Dilkon TANF Office	6,000 sq. ft. conventional office building	\$440,000.00
Kayenta TANF Office	4,000 sq. ft. conventional office building	\$930,000.00
Newlands TANF Office	8,000 sq. ft. conventional office building	\$720,000.00
	Site preparation/development, utilities, parking lot @ \$120,000 x 6 sites.	\$720,000.00
	Construction subtotal	\$5,000,000.00
Facility planning and design: Physical facility evaluation, space programming, site evaluation and planning, strategic facility planning, conceptual design and illustrations, project scheduling, project cost projection and budget, schematic design codes, regulations, review, A-E services, contract documentation, and project management for six facilities at 8%.		\$400,000.00
	TOTAL COST	\$5,400,000.00

Mr. Clark recommended to Members that the Committee request an extra appropriation for \$5.4 million to assist with the senior centers, for a total appropriation of \$10.8 million. He then suggested that an omnibus bill be drafted.

NON-MEDICAL HOME AND COMMUNITY BASED SERVICES

Lee Begay pointed out that there are 20 other tribes in Arizona. He gave Members a handout (Attachment 4). When budgets are cut, it usually impacts the elderly who are living at home. He related that the elderly usually live in remote areas by themselves. He requested that the Inter Tribal Council of Arizona (ITCA) be included when the Legislature appropriates funds to tribes. He advised that ITCA needs approximately \$100,000 to continue current services to the elderly.

The Members discussed the possibility of including all of the Native American's funding needs into one bill. Mr. Weiers suggested that the Dennehotso Clinic's funding proposal be submitted and placed with the Department of Health's omnibus bill. Mr. Weiers queried as to why many of these issues were not funded last year with the tobacco tax. He suggested that the Committee start with the Department of Health Services by approaching the agency with a specific plan/budget. Mr. Weiers then suggested that the Committee speak to Representative Mark Anderson and Senator Petersen about TANF funds. He also recommended that the Committee separate the issues into two bills and not lump everything together.

Janet Regner, Lobbyist, Hopi Tribe, advised Members that the language in the bill states that the Committee is to look at all a senior centers and hospitals on Indian reservations. She declared that she was glad to hear that there will be some inclusion of other Indian reservations because there are extreme needs on those lands. Ms. Regner pointed out that the Hopi tribe is a non-gaming tribe, also. She thanked Members for holding the meeting and supporting both the Navajo and Hopi tribes. Co-Chairman Laughter advised Ms. Regner that she would need to submit a proposal to the Committee.

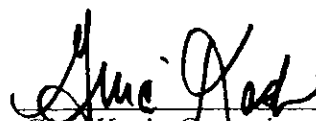
Herman Tso, CPA, LeChee Senior Center, requested that the LeChee Senior Center be given an extra \$230,000 to complete the building project. He gave Members a handout (Attachment 5) which outlined all of the costs involved with the project.

Mr. Clark made a motion to recommend to AHCCCS for 100 percent reimbursement of Medicaid charges, which Sage Memorial Hospital has been ineligible to receive. Ms. Benally seconded the motion. The motion carried unanimously.

Mr. Clark made a motion to recommend that the State appropriate \$24 million from Proposition 204 to Sage Memorial Hospital and the Dennehotso Clinic over a period of four years. Senator Jackson seconded the motion. The motion carried unanimously.

Mr. Clark made a motion to recommend working guidelines for senior centers on the Navajo Nation; the Nation must match funds and resources. The motion carried unanimously.

Without objection, the meeting adjourned at 3:35 p.m.



Gina Kash, Committee Secretary

(Original minutes, attachments and tapes on file in the office of the Chief Clerk.)

Executive Summary

From the Navajo Health Foundation-Sage Memorial Hospital To the Study Committee on Hospital Operating on Indian Reservations Monday, November 20, 2000

The Navajo Health Foundation-Sage Memorial Hospital is a private non-profit hospital operating on State land in Ganado, Arizona. Sage Memorial Hospital is the oldest Native American hospital operating on an Indian reservation in the United States.

During the 1999 Arizona State Legislative session, Sage Memorial Hospital requested an appropriation of \$16 Million from the State of Arizona, including funds from the Arizona Tobacco Settlement funds. These funds were to be made available to non-profit hospitals/clinics operating on an Indian reservation serving a population of at least 12,000 patients. Because 1999 was not an appropriation year, and because the Tobacco Settlement funds were being adjudicated by the Arizona State Courts, no funds were appropriated during the 1999 session. Recently, the Tobacco Settlement Funds were put to a referendum vote. **We are continuing to request an appropriation of \$16 Million Dollars over a 4 year period for operating, capital improvements and maintenance costs.**

Sage Memorial Hospital continues to operate on limited state funding support while providing essential health services to approximately 63,000 patients annually. Sage Memorial Hospital, as a non-profit hospital, serves both Native and non-Native patients at a ratio of 95% to 5%. Sage Memorial Hospital maintains an annual operating budget of \$14 Million dollars of which a majority of funds are directed to direct patient care.

Sage Memorial Hospital receives approximately \$7.5 from Medicare, Medicaid, and 3rd Party Insurance companies. A contract with the Indian Health Services, for \$6 Million dollars, is received for the care of Sage's Native American patient population.

Disparity

Sage Memorial Hospital receives only 64% of allowable reimbursement from the **Arizona Health Cost Care Containment System (AHCCCS)**, otherwise known as Medicaid. The 64% is the federal portion. Sage does not receive the 34% in matching funds from the State of Arizona. Every other private non-profit hospital in the State of Arizona is reimbursed by Medicaid at 100% of allowable charges. In effect, because Sage is located on the reservation, it is being treated by the State of Arizona as if it were a federal facility. Indian Health Service hospitals receive the additional 34% from the federal government. Since Sage is not a federal facility, Sage loses the 34% because neither the federal government nor the State of Arizona will make the matching funds available. **We are requesting that Sage Memorial Hospital receive 100% of allowable Medicaid reimbursement.**

Unlike federal facilities, Sage Memorial Hospital is not eligible to receive federal rates, discounts, and funds as a designated federal hospital or clinic for travel, vehicles, capital equipment, medical supplies, and medication. Like other hospitals, Sage is able to bill 3rd Party Payors and to raise funds through its philanthropy program. To the detriment of our facilities, equipment, and infrastructure, Sage dedicates its funds to direct patient care. On behalf of our patients, we are only asking for our fair share.

ARIZONA HOUSE OF REPRESENTATIVES

Meeting Notice

Open to the Public

Study Committee on State Funding of Hospitals and Senior Centers Operating on Indian Reservations

DATE: Tuesday, November 28, 2000

TIME: 11:00am

PLACE: House Hearing Room 2

AGENDA

1. Introduction
2. Presentation by AHCCCS on reimbursement for Sage Memorial Hospital Services
3. Discussion on guidelines for funding priorities of Senior Centers Operating on Indian Reservations
4. Recommendations
5. Public testimony
6. Adjourn

MEMBERS:

Senator Edward Cirillo - Co-chair
Senator John Huppenthal
Senator Jack Jackson ✓
Ms. Kathy Benally ✓
Mr. Ferlin Clark ✓
Ms. Vanessa Hill ✓
Ms. Sharon Nelson ✓
Mr. Mellor Willie

Representative Sylvia Laughter – Co-chair ✓
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco ✓
Honorable Percy Deal ✓
Mr. Leo Gishie ✓
Mr. Alfred Yazzie ✓

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ARIZONA STATE LEGISLATURE

STUDY COMMITTEE ON STATE FUNDING FOR HOSPITALS AND SENIOR CENTERS OPERATING ON INDIAN RESERVATIONS

Minutes of the Meeting
Tuesday, November 28, 2000
House Hearing Room 2 11:00 A.M.

Members Present:

Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson

Representative Sylvia Laughter, Cochair
Mr. Henry Blanco
Honorable Percy Deal
Mr. Leo Gishie
Mr. Alfred Yazzie

Members Absent:

Senator Edward Cirillo, Cochair
Senator John Huppenthal
Mr. Mellor Willie

Representative Karen Johnson
Representative Weiers

Staff:

Jason Bezozo, Senate Research Analyst

Tape 1, Side A

Cochair Laughter called the meeting to order at 11:10 a.m. and attendance was noted.

Representative Laughter asked the members to re-introduce themselves and explained that due to the Legislature being in Special Session, some of the legislative members would be in attendance, as their schedules would allow.

Discussion on guidelines for funding priorities of Senior Centers Operating on Indian Reservations

Kathy Benally, explaining the current infrastructure of senior centers, commented that there are a total of 112 Chapters in the Navajo Nation and of those, 42 are in New Mexico with the remaining 68 chapters in Arizona. She stated that out of the 68 Arizona Chapters there are only 40 senior centers and over half of them are operating out of the Chapter houses. The Chapter houses are the local central government for the community and the majority of them were built in the early 1940s and 1950s. She commented that the centers that are operating independently are operating out of buildings that were either given to or transferred to them. These buildings were not originally built as senior centers and consequently are inappropriate.

Ms. Benally stated that until the census is made public, current statistics are incomplete, the Nation has approximately 50,000 elders. She noted that according to the Federal Older Americans Act, anyone over the age of 55 is considered a senior citizen. As a sovereign Navajo Nation, the Council opted to identify anyone over the age of 60 as a senior citizen. Ms. Benally stated of the 50,000 senior citizens, only 15,000 utilize any of the aging services. She stated that the majority of the remaining seniors are not involved because they cannot be reached or they are unable to come to the senior centers. She opined that another reason for the lack of involvement is due to personal pride and varying levels of self-sufficiency.

Ms. Benally stated the cost of a new senior center to accommodate the needs of this section of the community would be approximately \$120 million. She noted that in New Mexico there are new buildings in almost all of the communities. She opined that the New Mexico Legislature has placed a higher priority on this issue than the State of Arizona.

Representative Laughter stated that at the last meeting she asked for a list of centers for prioritizing their needs. She asked that the list be distributed to the Committee members (Attachment A).

Mr. Blanco, clarifying the age differential Ms. Benally mentioned in her testimony, stated that for the senior citizens living off the reservation, the age of 60 plus was based on the Native Americans Act which are funded by Title 6. He stated Title 6 is an Older American fund source that only the tribes could apply for. The tribes have the discretion to reduce the age of clients for Title 6 funding to a reduced age of 55. There was a change in the Act with the reauthorization this year, which will allow the tribes to have the same age for both fund sources once the rules are adopted.

Senator Jackson stated an appropriation was made from the General Fund to the Department of Economic Security (DES) for Navajo senior center services if the monies were matched on a dollar for dollar basis by the Navajo Nation Council.

Senator Jackson asked if there was any money remaining in the fund. Ms. Benally stated that approximately two thirds of the fund remains. She stated that there is not a time limit associated with the use of the funds.

Senator Jackson asked for documentation of the exact amount of money spent, the remaining amount, and copies of any contracts.

Representative Laughter stated that the Committee would have the necessary documents for the next meeting.

Ms. Benally stated that the only stipulation for the allocated funds is for the construction of buildings. She noted that the funds cannot be used for design or any other purpose.

Representative Laughter stated that there needs to be an investigation of whether there was a deadline date prior to her taking office and noted that she will look into creating legislation to address this. She stated that with the previous legislation that any of the amounts were greater than \$100,000 or a total of \$200,00 for general disbursement.

Ms. Benally stated the largest amount was for \$65,000 for Fort Defiance. She commented that in response to Representative Laughter's first question, in reviewing the list that she was given, she asked if all the items on Attachment A would take priority and be reintroduced as a whole with other areas of concern.

Representative Laughter stated that was correct and asked the members to help to prioritize the list on Attachment A and report on the disposition of each entry.

Mr. Leo Gishie opined that in the last meeting, the Committee agreed to establish a guideline or policy to base the priorities on.

Mr. Percy Deal asked if H.B. 2578 progressed through the legislative process to the Governor's Office.

Representative Laughter stated that the Governor did review the bill and explained the State Legislature has a biennial budget. The Legislature knew that this year is not a budget year and when members of the Navajo Nation approached the Legislature they were informed that money would not be available for any bills. She remarked that both the Senate and the House of Representatives presented money bills, bills that requested appropriations. She stated both Senator Jackson and herself presented bills knowing full well that the requested amounts would not be approved, it was hoped that at least part of the requested appropriations would be approved. She stated that at the end of the regular session, a consensus was reached on how much money certain bills would receive. This process was done to be as fair as possible. She stated that a total of \$100,000 was the amount approved by the Legislature for the Navajo Nation. She stated that very few of the House and the Senate members were able to receive any money at all. Representative Laughter noted that \$50,000 was the amount that was allocated for senior centers. She stated that she wants to re-present this bill in the upcoming regular session. Because it is a budget year, the chances of success are greater.

Representative Laughter noted that she has approximately 20 bills that she is sponsoring already on behalf of the Navajo Nation alone, and remarked that she did not know how many Senator Jackson was going to sponsor. She stated that between the two of them, they would probably share an equal amount. She noted that their intentions are good and they would love to be able to have money for everyone. She remarked that both she and Senator Jackson know the chances of having success are unrealistic and therefore prioritizing is necessary. She stated that hospital and senior centers are the only concerns for this committee. She stated that she has other bills that she does not have study committees for. She stated that Senator Jackson and she had determined during the last year that senior centers were going to be a priority. She

noted that she received a letter from President Begay that emphasized the importance of getting money for the Temporary Assistance for Needy Families (TANF) building sites as well. She stated that she would like to gather advice and recommendations from the Committee members and noted that as communication with President Begay's office an agreement will be reached regarding the priorities. She stated that she would like to achieve success in passing bills that will benefit the Navajo Nation. She stated that she would not lie to the members and promise success in getting money for every bill that she will be sponsoring. That is one of the reasons that she would like to have further prioritizing of the list of senior centers today for the senior center bill. She noted that there is a deadline for submitting the conclusions of the Committee to the Senate and the House of Representatives, which is December 1, 2000. She stated that if this deadline cannot be extended, today may be the last opportunity for the study committee to meet. If an extension is given, she expressed her hope to have two more meetings before the end of the year.

Representative Laughter noted that prioritizing the bill was discussed in the last meeting. She was asked Ms. Benally if she had enough information to further prioritize the list. She noted that, as in the Hopi Center, there might be other centers that the committee may not be aware and may need to be added to the list.

Mr. Yazzie stated that he agreed with Representative Laughter's recommendation to make a list of the hospitals and senior centers to be able to prioritize which will help expedite some of the projects based on their readiness. He commented that Representative Laughter stated that there were proposals that had already been submitted and approved last year. He commented that it might be beneficial to check with the Navajo Nation regarding the status of those funds and that status of the projects.

Referencing the \$50,000 that was appropriated during the current fiscal year, Mr. Deal asked if a representative from the Navajo Nation would explain which center these funds went to and if that center could be removed from the list.

Representative Laughter stated the Legislature did amend that the smaller amounts would not require matching dollars. She stated an example of the repairs on the senior center at Hard Rock Chapter. She stated that it was determined that amounts smaller than \$100,000 or below would not require matching funds. She further explained concerns were brought forward regarding drafting legislation requiring matching funds without consulting the Navajo Nation.

Mr. Yazzie commented that the Navajo Nation has been using the practice of matching funds not only with the State of Arizona, but in Utah as well.

Mr. Blanco opined that further information regarding the senior centers, such as the number of people being serviced and the distance between the existing and proposed centers is needed to prioritize the list.

Mr. Clark opined that part of the recommendation at the last meeting was that the tribe would provide a match perhaps not only a two year basis, but possibly on a five or ten year basis which would allow all the priorities listed to be funded. He also noted that at the meeting the committee asked for specific information regarding the centers proximity and population. He stated that the White Cone Chapter and Dilcon Chapter were supposed to get funds and suggested that maybe they could share those facilities. He opined that a plan with the communities in mind was the subject at the last meeting and stated that he would support Mr. Deal's request. He suggested that in addition to State matching dollars, that involving the counties with a shared contribution might be an idea for discussion.

Representative Laughter remarked that county involvement might not necessarily be agreed upon and noted that it would have to be held for discussion at another meeting.

Mr. Clark asked that Jessie Thompson, Navajo County, District 2 be allowed to speak.

Jessie Thompson, Member, Navajo County Board of Supervisors, stated that he agreed with some of the comments stated at the meeting. He stated that he has worked with the Hopi, Navajo and Apache tribes in district 2 in the general communities. He stated that currently Indian Wells is sharing a Chapter House with Greesewood Springs and it is not working well. He noted that transportation is an enormous problem because most of the buses are in bad shape and have over 100,000 miles on them. He noted that it is hard enough to deliver hot meals throughout the community, let alone arrange for transportation to the Chapter House. In addition, the buildings that currently exist need a lot of repair work. He noted that a large portion of the funds for the new buildings are going towards the design and planning of the buildings. Mr. Thompson remarked that there are other proposed centers at First, Second and Third Mesas. He noted that several weeks ago he had an opportunity to meet with Senator Jackson as well the Hopi Chairman. He stated that they went into some detail of the Hopi tribe making a proposal to this effort. He stated that a stronger relationship with the State needs to be established. He remarked that it has been difficult for the tribes to come up with the matching funds necessary to progress with building the needed centers.

Mr. Thompson stated that it has not been easy for the tribes to come up with the matching funds and that is why there have problems with utilizing the funds that were set aside last year and in the previous years. He stated that if there were any way to get 100 percent funding, it would be beneficial.

Mr. Thompson stated that Navajo County receives annual Community Based Block Grant (CBDG) and the public is called upon to help determine where these funds are to be used. He stated that in most cases the county supervisors decide to use the funds for home repairs. He stated that \$1,500 is the amount that is given annually and although it is not a large amount, it is helpful.

Representative Laughter commented that Mr. Thompson's testimony had given her some ideas on how to possibly approach the counties, just as Mr. Clark had mentioned.

She stated that it is probably not a good idea to have matching funding with the Navajo Nation, which would be her recommendation because of the possible delays involved if the Legislature passes a bill to give money for senior centers. Regarding Mr. Deal's suggestion to reduce money from the centers that received money this regular session, she noted that LeChee received \$25,000 and she had talked to the senior center and asked if the \$25,000 would be removed from the \$140,000 request and they presented her a new proposal that due to inflation, they had already started in the building phase. She stated that they told her that they would need an additional \$180,000 to complete the project. She stated that \$50,000 was the cost of the parking lot. She stated that all the other senior centers had not included costs for parking lots. She stated that she would recommend to LeChee that the Committee go to the Coconino County for the funds for the parking lot. This could be done for all the senior centers and their corresponding counties.

Mr. Thompson stated that these suggestions could be brought to the other county supervisors to discuss.

Mr. Deal stated that the outline given by Supervisor Thompson is true and noted that the counties do not have any responsibilities of any of the public facilities that are on any of the reservations, nor on any non-Indian communities such as Winslow, Holbrook and Show Low. He stated that each of the properties belong to the Chapter and the Navajo tribe. He remarked that in the past, proposals from various communities such as Hard Rock and the Hopi reservations have been submitted to repair or renovate an existing facility and the counties have made contributions to that effect. He noted that the counties do not have any CRP funds for public infrastructure and he opined that it would be wrong for this or any other committee to be misinformed that the counties have funds set aside annually. He noted that the counties receive and review on a case by case basis, the various proposals to address certain infrastructure issues. For example, he noted the Blue Gap, which has requested a new center with a cost of \$300,000. He stated that Blue Gap is an isolated and rural community and noted that they do not even have telephone service. Mr. Deal remarked that they had set aside eight acres of land and asked him for help with making a survey. He noted that rather than drafting language to include the counties, each community should deal with their own respective county for the assistance that they need. He noted that there is not much assistance that the counties will be able to provide.

Mr. Deal stated that he would also like to recommend that the committee make a recommendation for DES and Ms. Benally's office to meet to decide on a single design if a pre-fabricated building could be purchased. He noted that the costs associated with pre-fabricated buildings are less than \$250,000, which can accommodate a lot of the centers rather than a totally new building. He noted that he recognizes that everyone would like to have a new building, but noted that the money is not available to build new buildings.

Representative Laughter noted that she spoke with Ms. Bennally and was excited about Dr. Boletto's invitation to visit the new learning center in Ganado. She stated that she

was impressed with the interior, and the exterior did not look like a regular mobile home. She stated that Mr. Deal's suggestions regarding the pre-fabricated buildings have merit.

Representative Laughter stated that the costs involved would allow for more buildings to be established for the senior centers in addition to those on the list. She remarked that these buildings would be good for 25 years.

Tape 1, Side B

Mr. Thompson remarked that another cost saving measure would be to use gravel rather than pavement. He remarked that this was done with one of the Hopi public buildings and was successful.

Mr. Clark commented that he agreed with the comments made by Mr. Deal regarding matching funds and spreading the wealth among the communities. He commented that there should be a minimal match but it should not hamper the project.

Representative Laughter commented that the Legislature would except either matching funds or a non-matching appropriation.

Mr. Yazzie commented that he would suggest that the decision be made by the Legislature regarding whether there would need to be matching funds for this bill.

Mr. Blanco noted that the last appropriation that was approved for the Navajo Nation, the language was matched dollar for dollar, it was set up that as buildings were submitted it was required that the matching dollars be present before the funds would be released. He stated that created some issues with some of the Chapters.

Representative Laughter stated that she would rather not have the matching dollar for dollar language in the legislation.

In response to Mr. Deal's first question, Ms. Benally stated it was funding allocated to the Navajo Nation approximately three years ago in the total amount of \$300,000. Of the four centers that remain on the original list are the only four centers that do not have sufficient funding to construct their buildings, therefore they are seeking additional funds. Mr. Deal's second question relating to subtracting the amount of money already given to some of the centers, she opined that has been done. She noted the larger amounts that are on the current list are the new proposals that have submitted within the last two years. She stated that if she were to prioritize the list on Attachment A, she would put LeChee senior center and Teesto senior center and any other centers that are near completion at the top of the list.

Representative Laughter noted that LeChee reported that phase one is 100 percent completed but that there was a short fall of \$180,000 after the money from Mr. Deal's county and the \$25,000 from the Legislature was received. She noted that she is

subtracting the \$50,000 they requested for the parking lot, as none of the other centers are requesting this amount for that purpose. She remarked that they have all the money they need and they are waiting for the \$180,000 from the State.

Mr. Clark asked Ms. Bennally what her position was on the recommendation of Mr. Deal with regard to the pre-fabricated buildings for the other remaining projects. He stated that these types of buildings would save on architectural costs and would last longer than wood buildings. Ms. Bennally stated that she would favor pre-fabricated buildings if they would fit the needs of the senior centers. She noted that she would like to see every Chapter have a senior center. Ms. Bennally remarked that she would be concerned with the life span of the buildings. She remarked that some of the modular buildings that were constructed in New Mexico are deteriorating although they are less than ten years old. She stated that she agrees that a partnership with the Navajo Nation is something that should exist and stated that the Nation is demonstrating their commitment.

Mr. Blanco stated that there has been some discussion by some presenters of needs of centers and asked if the Committee was looking at developing one large bill that covers all the reservations needs or a bill for each reservation.

Representative Laughter stated that the only other center that she was aware of was the Hopi senior center. She stated that there would only be one bill.

Mr. Gishie stated that he was not sure that the money that will be requested for senior centers on the Indian Nations would be subject to early construction of the buildings. He asked which of the four items of the seventeen that are listed directly relate to complete constructions. He expressed his concern with how the legislation would be drafted with regard to the status of the centers. He stated that he is also concerned with funding limitations. He stated that matching funds is an approach that is successful in getting funds. He stated that as Ms. Bennally pointed out, there are two centers that are partially completed and should be a top priority, while those that have not been constructed should be second and the newest requests for centers should be last. He remarked that modular buildings do not appeal to him and would rather have other types of buildings constructed.

Ms. Bennally stated that New Mexico is really encouraging pre-fabricated building although the Navajo Nation would prefer to have something of a more permanent nature. She stated that she supports the suggested listing of the priorities that Mr. Gishie made and opined that it should be adopted. She remarked that the Navajo Nation has in addition to their capital improvement project, they have policies and procedures for prioritizing their projects. She stated that perhaps the Committee could adopt this in a third category for those projects that the Navajo Nation terms total project ready. She stated that includes: an archeology clearance, land base identification and other items that have to be completed before the project is ready.

Ms. Bennally commented that she has difficulty with the third category that Mr. Gishie mentioned because there are some communities that may submit proposals that do not have a senior center, and there are some that are depending on their local government by using their Chapter Houses as senior centers. She asked how these situations should be categorized and prioritized. She stated that all the senior centers within the Navajo Nation in Arizona are being called to a meeting with State Legislators on Thursday, November 30, 2000 in Window Rock. She stated that they will be bringing proposals and noted that it would be beneficial to have guidelines to give to them.

Mr. Clark stated that he agrees with the majority of the recommendations Ms. Bennally made. He noted that project readiness should be criteria for building approval. He stated that additionally he would also include in the phase two or phase three the Hopi senior centers. He stated that he did not think that the language to have the Navajo Nation match funds should be in the bill. He opined that the Nation should contribute towards the building costs, he remarked that construction should not be held up because they do not have all of the matching funds available.

Representative Laughter remarked that there is a possibility of submitting two bills and which ever survives the legislative process would become a law. She noted that the success of either of the bills would depend on the Navajo Nation's willingness to lobby on behalf of either or both of the bills.

Mr. Gishie asked if the recommendation of removing the Navajo Nation matching dollar language would make it easier or more difficult to move the bill through the Appropriation Committee. Representative Laughter stated that the success of the bill would have no impact whether or not the Navajo Nation does matching monies or not. She stated that she is concerned that the Nation may not be able to match the monies and therefore will not obtain the senior centers that they need.

Mr. Blanco stated that the dollar amounts that were included in the bill were half the amounts needed to complete a structure of renovation. He stated that the assumption was that with the State funds, the Nation would contribute the other half. He stated that he is concerned that if the matching requirement is removed that the State dollars may be drawn out and be fully expended without a project being completed. He noted that many of the Chapters are willing to allocate their local construction dollars to an activity like this. He opined that if the language of the bill is not written with the goal of completing projects, the State would be required to set the money up on the initiation of construction but would have no requirement for a completed project. He stated that if a dollar for dollar match is too high, then a different formula should be used, but the language in the bill should reflect their involvement.

Representative Laughter stated that is why she suggested that there be two bills drafted to give the Navajo Nation the opportunity to participate and lobby for one bill or the other.

Mr. Clark remarked that representatives from the Navajo and Hopi coming to the Capitol to lobby could be powerful. He stated that if communication between the Legislature and the tribes were on a good level it would be understood that the tribes would contribute what they can from the various sources. He opined that the language in the bill needs to be as flexible as possible so that construction and completion of projects will not be hindered.

Ms. Benally stated that one of the suggestions brought up in this meeting was that the funds go directly to the Chapter rather than directing the funds through the State. She stated that she was concerned whether the Navajo Nation would match the State funds if the funds were not coming through the State.

Mr. Blanco stated that in the past when bills have been introduced to provide direct funding to other than State agencies that the advice that was received was that the Legislature could not pass dollars directly to a non-state agency. He stated that he is not sure how that applies to the reservations or the tribes.

Representative Laughter stated that she has spoken to the previous House Analyst, Eileen Kline, regarding sending the money straight to the communities. She remarked that would allow the communities to receive and disperse the funds immediately to avoid delays in the usage of the funds.

Ms. Bennally moved that the Committee recommend Mr. Clark's motion from the last meeting to recommend the first bill with the list of senior centers on Attachment A and the addition of Hopi be retained as a priority list with the fund requests removed pending the meeting with the Navajo Nation on November 30, 2000 meeting to approve a single design building plan or pre-fabricated buildings. The motion was seconded.

Representative Laughter commented that the language of the bill still needs to be discussed and moved in a recommendation.

In response to Ms. Bennally and Representative Laughter, Mr. Clark stated that the dollar for dollar match would not be included in the recommendation. He stated that representatives from the Navajo and Hopi tribes would need to lobby the Legislature for funding and communicate what funds are available for a matching money formula.

Mr. Deal asked if the recommendation was for DES to work with the Navajo Nation senior citizen program to determine a single floor plan that could be presented to a company that manufactures pre-fabricated buildings. Ms. Bennally stated that was correct.

Mr. Deal asked where the centers for Gienta, Pinyo, and Shantu fit in the priority list. Mr. Clark stated Ms. Bennally's motion is the same as his motion from last week that specifically includes the level one priority centers, such as Teesto, level two priority

centers, including the Hopi project and level three priorities would be whatever else is brought up on Thursday's meeting plus the three Mesas from Hopi.

The motion CARRIED by voice vote.

Ms. Bennally stated that at the meeting on Thursday the Committee would have a true picture of the need for the senior centers. She asked if this legislation could be constructed similar to the legislation that was passed for Dine College. She commented that the need for senior centers is great and the cost for all of them is approximately \$120 million. She noted that with a \$3 million appropriation every other year would take 20 years to fund.

Representative Laughter stated that is a good idea and could be put in the legislation as well.

Mr. Clark stated that he would support the bill being drafted similar to the Dine College legislation.

Mr. Deal commented that the properties of the senior centers are tribal property, which belong to the Chapter and the Navajo Nation. He opined that the Navajo Nation needs to take some responsibility for contributing towards the construction of the senior centers.

Mr. Deal moved to ask the Navajo Nation to participate in contributing towards the construction of the senior centers. The motion was seconded. The motion CARRIED by voice vote.

Mr. Gishee stated that he appreciates Mr. Deal's comments but opined that they would be expressed Thursday where the other Navajo Leaders would be present.

Mr. Clark moved that whatever appropriation amount is decided upon on Thursday's meeting be given over a ten year period and would be repeated five times and recommended that the Navajo Nation Council could establish a study committee or a task force to develop a ten-year plan to support senior centers.

In response to Mr. Blanco, Mr. Clark stated that it would not exclude the Hopi Tribe and he stated that if they developed a ten-year plan with a contribution formula, they would be allowed to participate.

Representative Laughter noted that if this were to be passed into law, in ten years 70 centers would be funded.

Mr. Clark stated that this would allow another level of projects to be presented. He stated that he wanted to keep this option open.

Representative Laughter asked Ms. Bennally if she knew which centers are already completed. She stated that St. Michael near Window Rock was recently completed. She stated the number of necessary centers could be multiplied by the number of years needed to complete the project. Ms. Bennally stated that roughly 20 centers besides what are listed on Attachment A are still in need of funding.

Representative Laughter noted that if the modular buildings were used, the funding from this legislative year could fund all the centers.

Mr. Clark removed his motion.

Mr. Clark moved that this bill include the necessary appropriation to fund whatever plan is developed by the Navajo and Hopi tribes in two budget years. The motion was seconded. The motion CARRIED by voice vote.

Representative Laughter commented that a recommendation was made to adopt the policies and procedures that the Navajo Nation has in place to determine the priority of projects.

Mr. Clark stated that this was included in his motion from last week and therefore was included in Ms. Bennally's motion.

PUBLIC TESTIMONY

Mr. Thompson stated that in a few days he would send written comments regarding some of the existing conditions of the buildings that need repair or renovation to the Committee members.

Mr. Gishee stated that Mr. Thompson was asking the Committee to keep the record open for written comments until the deadline of December 1, 2000.

Jason Bezozo, Senate Research Analyst, stated that it would be acceptable to have meetings until the 15th of December and then file the report. He noted that the Speaker of the House and the President of the Senate would need to be notified of this.

Leroy Thomas, Chapter President, Teesto Chapter, Navajo Nation, Salt Clan, expressed his appreciation of the Committee members of their efforts to address the needs of the senior centers and health centers for the reservations.

Mr. Thomas stated that the Teesto center is approximately 75–80 percent completed. He stated that the 160-170 seniors of his community are wondering when the center will be completed. He stated that any efforts that the State could make would be greatly appreciated. He stated the building is now being vandalized because the doors have not been placed correctly.

Representative Laughter asked when construction began on the building. Mr. Thomas stated that construction began in early November of 1998 and the last time any work was done on the building was in December of 1999.

Representative Laughter asked if the center received any funding from the Navajo Nation. Mr. Thomas stated that the building was contracted through the capital improvement project (CIP) fund through the Navajo Nation.

Representative Laughter asked what the total amount of funding received was and what was used so far. Mr. Gishie stated that the funding was appropriated through the Navajo Nation CIP with an amount of approximately \$400,000, however, the contractor went bankrupt before the building was completed. He stated that there were subcontractors and vendors that were not compensated for either their work or materials and a 20 percent retaining fee was spent to pay these outstanding bills. He stated that actual dollar amount for construction was approximately \$200,000. He stated that at this point in time, the Navajo Nation is looking for funds to complete the project.

Mr. Thomas stated that \$160,000 is needed to complete the project.

Mr. Deal, referring to Attachment A, asked if Birdsprings, Dilcon, Fort Defiance and Chilchinbeto has experienced similar problems and if this was the reason that the amounts listed are lower than some of the other monetary amounts.

Representative Laughter remarked that she gathered all the proposals and found different numbers. She noted that she studied each proposal that had been presented over the years and added more money to proposals to compensate for inflationary costs. She stated that the amounts that were listed with the proposals may be incorrect and remarked that this could be re-assessed so that there will not be any partially built centers.

Ms. Bennally stated that Dilcon is listed for \$170,000, which was requested a year ago. She noted that if the Nation matched those funds it would equal \$340,000 and they already have \$120,000. This would give them a total of \$560,000. Likewise with Fort Defiance, they are asking for \$140,000 and with matching funds, this would equal \$280,000. Fort Defiance has \$130,000 remaining in the fund which would total over \$400,000. She commented that many of the centers on the list have funds that are being held in reserve but need additional funds to pay for a completed project. She opined that these sites are waiting for the needed funds so that they do not have a similar experience as Teesto and LeChee are in.

Representative Laughter asked for an updated list with realistic funding requests.

Representative Laughter recessed the meeting at 1:35 p.m.

Representative Laughter reconvened the meeting at 1:45 p.m.

Presentation by Arizona Health Care Cost Containment System (AHCCCS) on Reimbursement for Sage Memorial Hospital Services

Lynn Dunton, Assistant Director for policy office, AHCCCS, apologized for not being present for the first meeting and noted that she was not aware that the scope of the Committee would go into AHCCCS reimbursement.

Ms. Dunton stated that Sage Memorial Hospital is a unique, non-profit facility that is located on State land and services a large number of Native Americans. She stated that they could get reimbursed one of two ways from the AHCCCS program. The first is that they can have a contract with the Health Plans, which would directly pay the negotiated rate that has been agreed upon. The second is that treatment for members that are Medicaid eligible can be billed directly to AHCCCS. Ms. Dunton stated that AHCCCS pays 100 percent of the reimbursement schedule that AHCCCS has with all hospitals within the State that are not on a reservation or not an IHS facility. She noted that there was concern that Sage Memorial did not receive the matching funds which is not correct.

Ms. Nelson stated that she is clinical director for a community clinic, which is a non-profit private non-IHS clinic, located on the Navajo reservation. She stated that they bill AHCCCS directly. Ms. Dunton explained that there is reimbursement done by the State and additionally, IHS facilities or 638 tribal facilities are reimbursed 100 percent of a special federal rate. She stated that because Ms. Nelson's facility is not one of these, her facility is reimbursed through the fee schedule.

Ms. Nelson asked if the reimbursement rate is lower than the contract plans for private facilities. Ms. Dunton stated that the rates are set up on the fee schedule. She noted that whatever AHCCCS would pay Tucson is the same amount that it would pay Ms. Nelson's clinic for the same service. There is no differentiation because the clinic is located on a reservation.

In response to Mr. Clark, Ms. Dunton explained that there were two propositions. Proposition 204 received the most votes and therefore will be the initiative that AHCCCS will operate under. She noted that Proposition 204 defines who an eligible person is for AHCCCS benefits and states that anyone up to 100 percent of federal poverty can enroll in the program and AHCCCS can go to the Federal Government and try to get permission for Federal funding. She stated that for the first time this would mean that AHCCCS would be able to cover single men, women and couples without children with federal funds. She noted currently it is 100 percent State dollars. Ms. Dunton stated that Proposition 204 is a way to refinance some of the populations and cover more. The proposition also said that the State will fund six other smaller programs, such as women and children, healthy families and all of the tobacco settlement money that comes into Arizona will be used for this purpose alone. In addition, even if there is no federal approval, the State is required to provide this coverage and will be funded through the State General Fund.

Ms. Dunton stated that Proposition 200 failed. She remarked that if it had passed, it would have taken \$20.5 million from tobacco tax money and all the money from the tobacco settlement. She remarked that an obvious question would be, can tobacco settlement money be used to help hospitals or other projects that the Legislature may want to do. She stated that it is the Department's understanding that cannot occur.

Mr. Clark asked who administers the six programs that Ms. Dunton mentioned. Ms. Dunton stated that AHCCCS, DHS and DES would be the three agencies responsible for the new programs.

Mr. Clark asked if a hospital like Sage Memorial Hospital would have to submit proposals to these various departments. She noted that the programs that she is speaking about are already in statute so if an entity is participating in the program, it just means that there will be more funding available and the process would be the same.

Mr. Blanco asked if more information could be obtained for the members regarding this issue. Representative Laughter agreed to arrange for this.

Mr. Clark asked if these facilities are attempting to request funding for capitol for mobile units, do they request to the respective programs. He asked if there is anything specific to capitol requests.

Ms. Dunton stated that the monies that Mr. Clark is asking about cannot be obtained from this revenue source. She remarked that capitol for projects like mobile units would have to come from the State General Fund.

Ms. Dunton noted that a remarkable advantage of this proposition is that an estimated 100,000 people will have health insurance that do not currently have any insurance. She noted that some of 100,000 will be Native Americans and there should be a reduction in some of the uncompensated payments.

In response to Representative Laughter, Ms. Dunton stated that it is possible that there will be a beneficial effect for members of the Navajo Nation. She stated that this does happen in federally qualified health centers, where people come in for treatment and cannot afford to pay for services or there are sliding fee scales. She remarked that if an individual now has AHCCCS benefits, then that is 100 percent reimbursable, so there will be more money overall in the medical communities. She commented that the more people enrolled in AHCCCS the more they will have full benefits which will help IHS and the 638 tribal facilities with their budget, although it will not help Sage Memorial.

In response to Ms. Nelson, Ms. Dunton stated that the federal government set up a special reimbursement for IHS and tribal facilities and did not include clinics. She stated that AHCCCS pays the clinics what is paid to other facilities, not the special federal rate. She commented that whether it is discriminatory or not, she did not know.

Ms. Nelson opined that this situation is discriminatory because communities like Denato, Dennehostso, or Chilchinbeto are making concerted efforts to make it on their own and currently do not receive any federal dollars because they are not incorporated in the IHS or tribal systems.

Ms. Dunton stated that she understands the frustration that these clinics feel, and noted that AHCCCS is authorized by State law to pay whatever the rates are and for some reason, IHS and HCFA want to pay a special rate to IHS facilities which makes it somewhat inequitable.

Mr. Clark opined that the Committee should prepare some proposals to DHS, DES and AHCCCS on some of these programs. He stated that in relation to the bill that the Committee is requesting, the request should still stand with the multi year scale that was discussed and the bill should stay specific to that.

Mr. Deal asked if there is a certain federal policy that prohibits clinics on Indian reservations to participate in some of these programs.

Ms. Dunton stated that the situation is very complicated. She explained that Congress set up special reimbursement for IHS and 638 tribal facilities. In addition, there are clinics that the tribe may invite on the reservations that are not considered an IHS or 638 tribal facility. She stated that there is no special reimbursement for them. She stated that they can participate in the system and noted that there are many clinics located on reservations that are registered providers and are paid the regular capped fee for service rates. She stated that although they can participate, they cannot get the special federal rate. She explained that the federal government gives AHCCCS 100 percent of the money for that rate and AHCCCS passes it through. She noted that this is only available by federal law to IHS or tribal facilities. She remarked that this can be changed and the Indian Health Care Improvement Act that is going to be before Congress this coming year. She commented that urban centers are in a similar situation, as not being an IHS or tribal facility and they want the 100 percent special rate, which will be addressed in the Act.

Mr. Deal strongly recommends that the State Legislature send a Memorial requesting Congress to change that part of the policy to where clinics can fully participate at 100 percent.

Ms. Dunton noted that there are many tribes involved in the federal discussions, especially the Navajo, and suggested that in addition to a Memorial being sent to Congress, that the Committee members take whatever avenues it can to keep that pressure in. She noted that the bill is extremely significant for health care for Native Americans.

Mr. Deal stated that there is a community on the Navajo Nation, Penyo, that does not have a medical facility, only an IHS clinic. He stated that in the last four or five years the community has put a committee together to ask Congress and IHS to realize that

there is need for a hospital in that community. They were successful in obtaining funds and have spent \$1 million on planning and engineering the project, but still need approximately \$29 million to build the facility. He asked if tobacco settlement money could be used for this type of project.

Ms. Dunton stated that she did not think that was possible, as the tobacco settlement money has been narrowly focused for other purposes.

Mr. Clark stated that at the last meeting it was discussed that a total of \$24 million would be needed from the State General Fund over a four-budget year cycle to fund the needed hospitals.

Mr. Blanco noted that the Commission of Indian Affairs or DHS could make the recommendation of the Committee.

Mr. Clark moved to that Sage Memorial Hospital, Chilchinbeto clinic and other qualified Indian Hospitals or clinics work with DHS and DES to develop sources of funding for programs for capital and to pursue other options such as the Governor's Office and to have the Commission of Indian Affairs act as a liaison. The motion was seconded. The motion CARRIED by voice vote.

Representative Laughter distributed HB 2583 and HB 2575 (Attachments B and C) asked the members to review and have ready any suggestions regarding the language of the proposed legislation at the next meeting.

Mr. Clark asked if the boundaries and the senior citizens would be separated. Representative Laughter stated that was correct.

Representative Laughter recommended that the Committee members should visit the Navajo Nation Distance Learning Center and view the modular unit there at Window Rock.

Mr. Gishee recommended that the Committee meet in the Genado Center on Monday, December 11, 2000. Representative Laughter stated that the 45th First Regular Session will be having its opening day on that date.

Mr. Clark recommended that Ms. Bennally present her list of priorities of the senior centers to be drafted in the bill at the next meeting.

Representative Laughter commented that a representative from DES would be beneficial to hear from.

Mr. Blanco asked for guidance as to what subject the Committee would like to know from DES, so that the appropriate person is available with information.

Mr. Clark suggested that information regarding funding that could be made available to hospitals from the tobacco settlement funds.

Mr. Blanco remarked that the Department would not be able to present any information with regard to the tobacco settlement monies, as there is no implementation plan in place to the disbursement of the funds, but noted that he could ask for other funding source information.

Representative Laughter stated that she would like for the Committee members to visit some of the centers in the Genado area and consider asking the School Boundary Committee to meet with the Committee on the same day.

Ms. Benally stated that the meeting for Thursday was set up by Senator Jackson as a general meeting to help organize the Committee more than the Navajo Nation and how the Committee will proceed.

Representative Laughter opined that the meeting is more of an informational and educational day for the members of the Navajo Nation with regard to how to get sponsorship of bills. She noted that the Committee, which may influence the list for the bill, might obtain information.

There being no further business, the meeting adjourned at 3:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tracey Moulton".

Tracey Moulton
Committee Secretary

(Tapes and attachments on file in the Secretary of the Senate's Office/Resource Center, Room 113.)

ARIZONA STATE LEGISLATURE

Interim Meeting Notice

Open to the Public

Joint Committee of the Study Committee on State Funding of Hospitals and Senior Centers Operating on Indian Reservations and the Joint Legislative Study Committee on Reservation Schools

DATE: Monday, December 11, 2000

TIME: 10:00 am

PLACE: Sage Memorial Hospital
Cafay Sage Board Room
Ganado, AZ

AGENDA

1. Call to Order
2. Presentation by Department of Health Services – WIC, Teen Pregnancy and Health Start Programs – Vanessa Hill or designee
3. Presentation by Department of Economic Security – Healthy Families and Proposition 204 – Henry Blanco or designee
4. Public Testimony relating to State funding of Hospitals and Senior Centers
5. Recommendations relating to State funding of Hospitals and Senior Centers
6. Discussion on Reservation Schools
7. Public Testimony relating to Reservation Schools
8. Recommendations relating to Reservation Schools
9. Adjourn

MORE

MORE

MORE

**Members of the Study Committee on State Funding of Hospitals and Senior Centers
Operating on Indian Reservation:**

Senator Edward Cirillo - Co-chair
Senator John Huppenthal
Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson
Mr. Mellor Willie


Representative Sylvia Laughter – Co-chair
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco
Honorable Percy Deal
Mr. Leo Gishie
Mr. Alfred Yazzie

Members of the Joint Legislative Study Committee on Reservation Schools:

Senator John Huppenthal-Co-chair
Senator Ken Bennett
Senator Jack Jackson
Mr. Ferlin Clark
Ms. LeNora Y. Fulton
Mr. Larry Noble
Ms. Kathy Scott

Representative Sylvia Laughter-Co-chair
Representative Joe Hart
Representative Marilyn Jarrett
Mr. Frank Endfield
Mr. Ron Lee
Ms. Ruth Roessel

kp
12/7/2000

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I. INTRODUCTION

Living on the Navajo Reservation is an ongoing journey of challenges and rewards. Life can be both immensely satisfying and deeply frustrating for both the Dine and these privileged to live here. This is especially true for small communities living in isolated areas of the Navajo Nation. Resources are scarce, money is severely limited, facilities are long distance away and reliable transportation is often lacking. For many, life is difficult; nowhere is this more true than in the delivery of health care services.

What follows is an overview of the community of Dennehotso, Arizona.

II. OVERVIEW

Dennehotso, Arizona is an isolated community on the Navajo Nation in Northeast Arizona in the Four Corners region. There is a BIA Boarding School (K-8), a Head Start Program, Dennehotso Chapter House, a contract Post Office and the Dennehotso Health Clinic. There are no stores, no gas stations, no trading post in the town. To purchase groceries, obtain gas for vehicles, to get basic supplies, people have to travel to Kayenta, Arizona a 55 miles round trip. Beyond basic necessities, people need to go to the border towns of Cortez, Co. or Farmington, NM, or Flagstaff, AZ, all over 100 miles away. Likewise, patients requiring hospitalization need to be transported over 100 miles distance to obtain needed care.

III. THE MAKE UP OF DENNEHOTSO HEALTH CLINIC PATIENTS.

Dennehotso Health Clinic provides a variety of Primary Care Services to Dennehotso and the surrounding communities in a culturally sensitive manner. The clinic covers an area approximately 1400 sq. miles and includes the communities of Baby Rocks, Rock Point, Teec Nez Iah, Round Rock, Many Farms, Red Mesa and Sweetwater. Since the clinic is a non-IHS facility, we are able to serve both Navajo and Non Navajo patients. Total population of these communities is approximately 7,500 people. These communities have both large elderly and pediatric populations, both "at risk" vulnerable groups.

In Dennehotso, for instance, patient encounters on any given day normally breakdown to 40% elderly patients, 30% pediatric patients, 30% all other populations. We generally see 18-30 patients a day, but in the winter months, we have seen 40-50 patients in a day. The community is approximately 75% unemployed. 80% of the homes are without indoor plumbing; many come to the Chapter for their home water supply by using an outdoor hose pump located behind the Chapter House. An equal number are without electricity and phones. Transportation or the lack of it, remains a significant issue for large number of patients. The average adults has about a 7th grade education. Diabetes among adults is epidemic, with approximately 1/3 of all adults being diagnosed as such.

IV. DENNEHOTSO HEALTH CLINIC SERVICES

Dennehotso Health Clinic provides a spectrum of Primary Health Care Services. It offers child and adult immunization, treatment of acute illness, well baby/well baby examination, prenatal and postnatal care, minor surgery, physical examination, care for chronic illnesses, and after hour

emergencies. There are speciality clinics in Women's health, Pediatrics, Diabetes once a month. Both Navajos and non-Navajos are treated, regardless of ability to pay. Patients needing care by specialists are referred.

V. DENNEHOTSO HEALTH CLINIC NEEDS

So many patients live in a remote area away from the clinic and many of these patients are elderly and live alone, the most pressing need for the clinic is transportation. Having a clinic vehicle would enable the provider and staff to go to homes in times of emergencies. A vehicle would enable the clinic to go to patient's homes to check on seriously ill patients. It would allow patients to come to the clinic who have no transportation to get there. It would allow us to provide critically ill or injured patients clinic transportation to the ER at Kayenta IHS rather than waiting for the ambulance.

Along with a clinic vehicle, other items that would be helpful is providing good health care includes:

1. Two way radio to allow for communication between a patient's home and the clinic.
2. A new EKG machine to replace our old one.
3. A new adult scale and height machine to replace our very old one.
4. An automatic combination blood pressure, pulse, pulse oximeter ("Datascop") machine.
5. Four First Responder Kits to train 4 community members as First Responders.
6. One pediatric and one adult Littmann Cardiology II stethoscopes
7. A new photocopier to replace our old one.
8. An RPMS unit for our computer.

ARIZONA STATE LEGISLATURE

Interim Meeting Notice

Open to the Public

Study Committee on State Funding of Hospitals and Senior Centers Operating on Indian Reservations

DATE: Wednesday, January 3, 2001

TIME: 1:00 PM

PLACE: House Hearing Room 5


AGENDA

1. Call to order
2. Introductions and opening statements
3. Final recommendations
4. Strategic planning
5. Adjourn

MEMBERS:

Senator Edward Cirillo, co-chair
Senator John Huppenthal
Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson
Mr. Mellor Willie

Representative Sylvia Laughter, co-chair
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco
Honorable Percy Deal
Mr. Leo Gishie
Mr. Alfred Yazzie

 bam
1/2/2001

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ARIZONA STATE LEGISLATURE
Forty-fourth Legislature - Second Regular Session

**STUDY COMMITTEE ON STATE FUNDING OF HOSPITALS AND
SENIOR CENTERS OPERATING ON INDIAN RESERVATIONS**

Minutes of Meeting
Wednesday, January 3, 2001
House Hearing Room 5 - 1:00 p.m.

(Tape 1, Side A)

The meeting was called to order at 3:30 p.m. by Chairman Laughter and attendance was noted by the secretary.

Members Present

Mr. Ferlin Clark
Ms. Vanessa Hill
Senator Huppenthal
Senator Cirillo, Cochairman

Mr. Mellor Willie
Mr. Alfred Yazzie
Representative Laughter, Cochairman

Members Absent

Ms. Kathy Benally
Mr. Henry Blanco
Honorable Percy Deal
Senator Jackson

Mr. Leo Gishie
Representative Johnson
Ms. Sharon Nelson
Representative Weiers

Speakers Present

Nelson Claw, Community Services Coordinator, Rough Rock Navajo Nation Government,
Chinle
Ron Lee, Executive Director, Commission of Indian Affairs

Announcement

Chairman Laughter announced that the meeting of the Joint Legislative Study Committee on Reservation Schools scheduled for 3:00 p.m. is cancelled. She added that the action taken by the Committee on the last bill will become the final proposal, but urged anyone who wishes to make changes to contact her.

SC ON STATE FUNDING OF HOSPITALS
AND SENIOR CENTERS OPERATING ON
INDIAN RESERVATIONS
January 3, 2001

Discussion of Recommendations

Chairman Laughter stated that the Committee did not reach a consensus about the final bill proposal for the senior centers, but unless someone objects, she plans to reintroduce the bill from last session (Attachment 1) with the addition of Hopi senior centers. She noted that a quorum is not present, but the Members can make recommendations that she will take into consideration. She added that since the last meeting, a questionnaire was mailed to all senior centers that requested monies, which contained the following questions:

- Total cost to build the senior center.
- How much money the senior center is requesting from the State.
- How much money the senior center is requesting from the Tribe.
- Request to attach a formal resolution from the Navajo Nation Council indicating approval.
- Request to attach a Navajo Nation Historic Preservation Office form indicating clearance of the land where the center will be built.
- Request to attach a certification of survey from the State signed by a registered land surveyor.
- Square footage of the building to be built.
- If a modular building would be acceptable.
- How much was received in the past from the State for senior centers.
- If any money was received from the chapter.
- If construction is already underway.
- How many elderly seniors are presently served at the center with verification.
- How many elderly are presently served outside the center.
- Name of the senior center located nearby, how far, and how old.

Chairman Laughter said the Study Committee indicated some concern in the past regarding readiness of the senior centers, so she believes the questionnaire is the best method of determining if the preliminary work necessary to request funding from the State and Tribe is completed. She noted that responses were received from Birdsprings, Low Mountain, Cove, Fort Defiance, Tombstone, and the Hopi centers. Others indicated that the information was not returned because of the holidays. She related that some senior centers in last year's bill may not have clearance or signed resolutions from the Navajo Nation and questioned if the Committee should continue to support those or encourage the Navajo Nation to approve those through resolutions and allow the centers to fulfill the requirements in the questionnaire. She asked Mr. Yazzie, as a delegate of the Navajo Nation, how difficult it would be for the senior centers to obtain clearance from the Council between now and the end of the regular session and how strict the Committee is on whether or not the senior centers are ready in order to be included in the priority list.

Mr. Yazzie responded that at the last meeting in Ganado, he requested development of a priority list to determine where the chapters are in terms of documents, but so far, only a few chapters responded to the questionnaire sent out. The community of Rough Rock returned the

questionnaire to the President's Office, and Mr. Nelson Claw, who is present, can speak about that. He surmised that further discussion may be needed to develop a recommendation for all of the senior centers requesting appropriations.

Senator Cirillo indicated that it may not be necessary to identify every individual senior center in the legislation. He suggested requesting an amount of money and including criteria that must be met by each center to apply for the money, with prioritization taking place on a first-come first-served basis. Mr. Clark noted that a list of centers from the Navajo Nation Area Agency on Aging was provided at the last meeting in Ganado and endorsed Senator Cirillo's suggestion. He submitted that the Navajo Nation Council appropriation a few weeks ago of \$2.5 million for the State of Arizona provides an opportunity for a government-to-government type partnership.

Mr. Willie clarified that the Navajo Nation Council put forth a proposal to appropriate \$5 million (\$2.5 million for the State of New Mexico and \$2.5 million for the State of Arizona) for matching funds for capital outlay projects. President Begay has up to 10 days to veto or sign the legislation, but he does not have exact confirmation on what the President decided.

Mr. Willie related that he asked the Navajo Nation Area Agency on Aging to prepare a priority list of senior center projects. The Agency provided some information, but is currently working in correlation with the Navajo Nation Capital Improvement Project Office and Design and Engineering Services. President Begay was given all of the appropriations requests from the Navajo Nation and non-Navajo entities that affect Navajo people. He should select priorities by Friday, January 5, 2001. He noted that President Begay is aware of the District 3 representatives' priority of the senior centers, which he put in a report to the President. The President has also stated in meetings that he would like to see this occur. He added that at the last Study Committee meeting, the Navajo Nation Area Agency on Aging had a list and identified a few projects that are construction-ready, and he believes those should be made top priority.

Chairman Laughter said she hoped to have everything finalized today so an introductory set would be ready by Monday, January 8, 2001, but she would like to wait until there is a consensus from the President's Office.

Nelson Claw, Community Services Coordinator, Rough Rock Navajo Nation Government, Chinle, testified that Rough Rock is a small community with no more than 2,000 people and quite a few senior citizens. There is currently no program for seniors, so one of his priorities is to build some type of facility. He said he is not even sure if Rough Rock is included on the list, but land clearance, etc., was obtained, and the only obstacle now is matching funds. He said he is aware that the Navajo Nation Council appropriated some money and Rough Rock would like to be placed on the priority list. He said he filled out the questionnaire the same day it was received from the President's Office because he wanted the center to be considered first. He added that about 150 elderly people are ready to be served and requested that Rough Rock be placed on the priority list for a new facility.

Chairman Laughter related that Senator Cirillo offered to sponsor any bills from the Committee if the deadline passes; however, she prefers to sponsor the legislation since she has worked on this for the past few years. She surmised that Senator Cirillo meant priority should be given to

SC ON STATE FUNDING OF HOSPITALS
AND SENIOR CENTERS OPERATION ON
INDIAN RESERVATIONS

January 3, 2001

senior centers that are ready, which is somewhat consistent with what the Committee determined already in previous meetings, so unless there is strong opposition, she plans to base prioritization of the senior centers on the previous bill (Attachment 1). If some centers are not construction-ready, or she finds, for example, that Rough Rock filled out the questionnaire showing that the center is ready, changes can be made.

She submitted that not specifying the name of the centers in the bill could cause difficulties because some centers requested amounts based on money that was raised. She questioned if a deadline should be stipulated for the centers to be construction-ready.

Mr. Clark speculated that the general amount was \$250,000 per center, which could be consistent across-the-board to centers that are construction-ready. If the Committee can agree on a general amount and whoever is ready based on the criteria that is still being developed, by the time the bill is approved, the list should almost be finalized.

Mr. Willie indicated that he can provide information on specific criteria needed to complete construction readiness for senior centers.

Chairman Laughter submitted that across-the-board \$250,000 would equate to a modular building because it is difficult to build a facility on the Navajo Nation for \$250,000. Mr. Clark responded that \$250,000 would be the State portion. In addition, there is a possible Navajo Nation match and money raised by some of the entities; therefore, modular units would not have to be specified in the bill. It is up to the community whether a modular unit is appropriate, but a set amount would be fair for everyone.

She commented that based on previous experience with the State and the Navajo Nation, if the bill is not specific as to where and whom the money would go, the Navajo Nation would use discretion, which sometimes, is not consistent with the State's recommendations. Advocating on behalf of the senior centers that worked hard to fulfill the requirements of the questionnaire, she said she believes it would be appropriate to specify the senior centers and the amount that should be received, with prioritization based on readiness. Also, as indicated in the last meeting, there would be a continuing appropriation comparable to the amount received this year with a list of centers to be funded.

Chairman Laughter advised the Members that she met with Senator Jackson who was given proposals from other senior centers that are not consistent with those from the Committee. She told him she plans to do what the Committee recommends, and he said he would add an amendment during session. He is also introducing a bill separate from the Committee's bill.

Mr. Clark referred to a bill regarding hospitals on Indian reservations, noting that he plans to actively pursue the legislation with leadership and Senator Jackson, who is sponsoring the bill. Chairman Laughter said she believes the bill would involve \$24 million recommended by the Committee, and Dennehotso and Chilchinbeto would be included.

Chairman Laughter asked for a recommendation for a deadline as to when the centers should be construction-ready. Senator Cirillo suggested dropping the bill in the hopper as soon as possible

so it is heard in Committee before too many other bills are introduced. Mr. Clark indicated that it is important to meet with Senator Jackson and Representative Tom to work on a Senate and House version.

Chairman Laughter asked if all of the senior centers should be required to provide proof of clearance, Navajo Nation approval, etc., to her office by the end of January 2001. Mr. Clark recommended not naming specific centers, but keeping the language general. Mr. Willie suggested restating the senior centers from last year's bill with the stipulation that the centers would receive funding if the criteria is met. Chairman Laughter acknowledged that it makes sense, but if someone who does not understand the language sees the name of a senior center in the bill, that person would not understand if the center is disqualified.

Senator Cirillo said that would be a good reason not to put names of the senior centers in the bill. Chairman Laughter noted that each center needs a different amount to build the center and questioned how that would be addressed. Senator Cirillo responded that the centers could be eligible for different amounts of funds as long as the criteria is met. He advised that an additional appropriation would have to be requested in the next budget cycle if the first appropriation is not sufficient. He said the appropriations could be made non-lapsing, but a bad message would be sent to the Legislature if money is left over.

Chairman Laughter pointed out that there may be senior centers that were not on the list that take priority over some that have been on the list for the last few years. She asked the Council delegates to advise the centers about the decision not to include the names on the legislation. She noted that some of the Committee Members not present may not agree with the decision made, but until she hears otherwise, she will leave the names off, include requirements, and stipulate that all centers must be construction-ready by the last day of January 2001.

Mr. Yazzie advised that the next Navajo Nation Council session will be held during the fourth week in January 2001. Chairman Laughter indicated that the centers could go to the Council to have a resolution approved that week, if it is all that is needed. Mr. Clark stated that some of the items take several months to accomplish, which could disqualify many of the projects on the list. Senator Cirillo said perhaps a deadline is not needed. Whoever is qualified at the time the money is available could receive the money first.

Senator Cirillo speculated that someone on the Navajo Nation would administer the funds. Chairman Laughter said perhaps the Navajo Nation Council could make the ultimate decision. Mr. Yazzie responded that the Council has policies in place to rank the proposals and make sure all the criteria is met.

(Tape 1, Side B)

Mr. Clark said perhaps someone on the Committee could be part of the process. Senator Cirillo related that the letter he received showing the charge of the Committee indicates that a report is needed on December 1, 2000, but does not say the Committee is discontinued at that time, so the Committee could act as the reviewing authority. He added that the Tribal Council should

approve the centers first, though, because it is also putting up some money. The Council could forward the names of those approved to the Committee for review.

Chairman Laughter opined that it is important to continue the Committee because many projects are involved with the Council and she wants to be as fair as possible. Senator Cirillo stated that the final report should contain a recommendation to continue the Committee until all of the money is expended.

Ron Lee, Executive Director, Commission of Indian Affairs, stated that in order to respect the fact that the Tribe also has some authority and develop a true government-to-government relationship, the language in the bill should be as broad as possible as Senator Cirillo mentioned, include criteria, and give the Tribe the responsibility of prioritizing the centers. Responsibility lies with the Tribe as well since it is putting up part of the money.

Chairman Laughter commented that from previous experience with the Navajo Nation Council, she believes there should be checks and balances, which is the role the Committee would play. She indicated that she appreciates everyone's involvement. She noted that she wants to allow the senior centers to be built and by working together, it can be accomplished.

Without objection, the meeting adjourned at 4:37 p.m.


Linda Taylor, Committee Secretary

(Original minutes, attachment, and tape are on file in the Office of the Chief Clerk. A copy of the minutes and attachment are filed with the Senate Secretary.)

REFERENCE TITLE: appropriation; Navajo senior centers

State of Arizona
House of Representatives
Forty-fourth Legislature
Second Regular Session
2000

HB 2578

Introduced by
Representatives Laughter, Avelar, Gordon, Senator Jackson: Representatives
Anderson, Clark, Cooley, Foster, Groscost, Landrum, Maiorana, Weiers

AN ACT

MAKING AN APPROPRIATION TO THE DEPARTMENT OF ECONOMIC SECURITY FOR NAVAJO
SENIOR CENTER SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Appropriation; purpose; exemption

3 A. The sum of \$2,414,000 is appropriated from the state general fund
4 in fiscal year 2000-2001 to the department of economic security for the
5 following Navajo senior center services if the monies are matched on a dollar
6 for dollar basis by the Navajo nation council:

7 Construction of a senior center at Birdsprings	\$150,000
8 Construction of a senior center at Dennehotso	\$150,000
9 Construction of a senior center at Dilcon	\$150,000
10 Construction of a senior center at Mexican Water	\$150,000
11 Parking lot improvements for the senior center at Chinle	\$ 10,000
12 Renovations for the senior center at Cove	\$100,000
13 Construction of a multipurpose building at Low Mountain	\$150,000
14 A van for the senior center at Cove	\$ 40,000
15 A nursing home care facility at Red Valley	\$150,000
16 Construction of a senior center at Fort Defiance	\$200,000
17 Construction of a senior center at St. Michael's	\$250,000
18 Repairs on the senior center at Hard Rock chapter	\$ 20,000
19 Construction of a senior center at Chilchinbeto chapter	\$100,000
20 Construction of a senior center at White Cone chapter	\$100,000
21 Construction of a senior center at Sweetwater	\$100,000
22 Construction of a senior center at Wide Ruins	\$200,000

23 New vans (one each) for the senior centers at Tuba City,

24 Birdsprings, Mexican Water, Fort Defiance,

25 Low Mountain, Blue Gap, Rockpoint and Sweetwater \$169,000

26 New vans (one each) with handicapped ramps for the senior

27 centers at Dennehotso, Dilcon, Sawmill and Crystal \$125,000

28 B. The appropriation made in subsection A of this section is exempt
29 from the provisions of section 35-190, Arizona Revised Statutes, relating to
30 lapsing of appropriations.

ARIZONA STATE LEGISLATURE

Interim Meeting Notice

Open to the Public

Study Committee on State Funding of Hospitals and Senior Centers Operating on Indian Reservations

DATE: Thursday, January 18, 2001

TIME: 10:30 AM

PLACE: House Hearing Room 4

AGENDA

1. Introductions and opening statements
2. Discussion on final draft of the bill
3. Adjourn

MEMBERS:

Senator Edward Cirillo, co-chair
Senator John Huppenthal
Senator Jack Jackson
Ms. Kathy Benally
Mr. Ferlin Clark
Ms. Vanessa Hill
Ms. Sharon Nelson
Mr. Mellor Willie

Representative Sylvia Laughter, co-chair
Representative Karen Johnson
Representative Jim Weiers
Mr. Henry Blanco
Honorable Percy Deal
Mr. Leo Gishie
Mr. Alfred Yazzie

bam
1/15/2001



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ARIZONA STATE LEGISLATURE

Forty-fifth Legislature – First Regular Session

**STUDY COMMITTEE ON STATE FUNDING OF HOSPITALS AND SENIOR
CENTERS OPERATING ON INDIAN RESERVATIONS**

Minutes of Meeting
Thursday, January 18, 2001
House Hearing Room 4 - 10:30 a.m.

(Tape 1, Side A)

Cochairman Laughter called the meeting to order at 10:35 a.m. and attendance was noted by the secretary.

Members Present

Senator Jack Jackson	Ms. Vanessa Hill	Mr. Alfred Yazzie
Representative John Huppenthal	Ms. Sharon Nelson	Senator Edward Cirillo, Cochairman
Representative Karen Johnson	Mr. Mellor Willie	Representative Sylvia Laughter,
Ms. Kathy Benally	Mr. Henry Blanco	Cochairman

Members Absent

Representative Jim Weiers	Mr. Ferlin Clark	Honorable Percy Deal
	Mr. Leo Gishie	

Speakers Present

Tim Y. Begay, Jr., Community Service Coordinator, Navajo Nation, Fort Defiance Community Chapter
Duane D. Dixon, President, Fort Defiance Chapter, Navajo Nation
Janet Regner, Partner, Jamieson & Gutierrez, representing the Hopi Tribe

Cochairman Laughter welcomed members and announced that public testimony would be heard while the Committee awaited a quorum. She noted that the purpose of the meeting is to agree on the language for the senior centers bill.

Tim Y. Begay, Jr., Community Service Coordinator, Navajo Nation, Fort Defiance Community Chapter, emphasized the importance of the proposed legislation for the area's senior citizens. Stressing that the Chapter is project ready, he urged the Committee's support.

Duane D. Dixon, President, Fort Defiance Chapter, Navajo Nation, reiterated the project readiness of the Fort Defiance Chapter, and described the value of the proposed center as a way to greatly enhance the quality of life for the elderly, with cultural, educational and protective services opportunities. He asked to be notified in time to arrange a visit to the Legislature when the bill is heard on the Floor of the House.

Cochairman Laughter announced that, there being a quorum, the Committee would move to a discussion of the project readiness of the various centers. (See spreadsheet, Attachment 1, a listing of Navajo and Hopi senior centers requests). She noted that it has previously been agreed to include the Hopi senior centers, and it is her understanding from President Wayne Taylor's office that three centers, Kykotsmovi, Hotevilla and First Mesa Consolidated should receive priority. Cochairman Laughter reviewed the requests from the three centers and discussion ensued.

Janet Regner, Partner, Jamieson & Gutierrez, representing the Hopi Tribe, emphasized the importance of the senior centers to the three villages, which she affirmed are the farthest along with their planning. She added that the Chairman would like to invite members of the Legislature to visit the villages in order to see for themselves the need for the proposed centers. Ms. Regner pointed out that a packet of materials previously submitted to the Study Committee contains copies of resolutions from the villages pertaining to the need. Responding to questions from Cochairman Cirillo, she confirmed that Kykotsmovi received fifty thousand dollars for planning last year and is the most project ready, and that private foundation funds have been solicited by Hotevilla.

Mr. Blanco asked if a dollar-for-dollar match is included in the proposed bill. Cochairman Laughter said it is her recommendation to not accept a dollar-for-dollar match from either tribe.

Senator Jackson said it is his belief that the most likely way to get funding would be with some matching funds, since this year's budget has been agreed. He said he understands the Navajo Nation has appropriated funds for this purpose and asked Mr. Yazzi when a formal announcement to that effect will be made. He also asked if the Hopis are willing to put up money for matching funds.

Mr. Yazzie said the Navajo Nation has appropriated \$5 million for matching state capital outlay projects, \$2 million of which is allocated to Arizona, \$2 million to New Mexico and \$1 million to Utah.

Cochairman Cirillo said he believes it would be preferable to keep the bill as simple as possible by making one appropriation and letting the Navajo and Hopi nations determine which centers should receive priority.

Cochairman Laughter said it is her understanding that the Navajo Nation would prefer to keep the bill as drawn because of the complexity of gaining approval for each center. She asked Mr. Willie to describe the Navajo Nation President's concerns over following Senator Cirillo's suggestion.

Mr. Willie reviewed in some detail a *Report to the Transportation and Community Development Committee (TCDC) of the Navajo Nation Council* (Attachment 2) which sets forth two options for the proposed legislation. He said the TCDC recommended option 1, which calls for a non dollar for dollar match and includes all projects listed in the previous bill (H.B. 2578 44th Legislature, 2nd Regular Session, Chapter 379).

Senator Jackson asked how much of the \$2 million has been earmarked for senior citizens. Mr. Willie responded that the TCDC made no specific allocations, but is aware of the need.

Cochairman Cirillo said while he believes the Committee should proceed as the two nations prefer, he is concerned that by eliminating matching funds, and in effect allowing the state to determine which centers will get the money, the bill will be harder to pass.

Senator Jackson agreed, and said he would prefer an appropriation that, together with the \$2 million Navajo Nation match, would take care of the sixty-two Arizona chapters at one time. He cautioned that it will take much longer to select centers one by one.

Cochairman Laughter pointed out that it was previously agreed to propose a two-year funding mechanism, which would address project ready centers in the first year and the remainder in the second year.

Ms. Benally said it is her understanding that the Navajo Nation has not earmarked money for the senior centers because there is no guarantee that the bill will pass, and because there are other projects seeking funding. She said she believes the money will be allocated to match any bill that passes. She asked why all the centers are not included on the spreadsheet. Cochairman Laughter explained that the spreadsheet lists only those proposals that have been submitted in the past six months.

Cochairman Cirillo said he believes it is important to determine which centers are ready to begin development so that they can be included in the first year's budget, while those that become project ready during that time should be added for funding in the second year.

Mr. Willie reviewed a project status report entitled *Navajo Area Agency on Aging* (Attachment 3). He explained that this report gives a good indication of which projects are construction ready for first year funding, and which are in the planning stage and should be included in the second year.

Cochairman Laughter proposed that the Committee recess until 12:15 p.m. to give members time to review Mr. Willie's handouts following their attendance on the Floor of the House.

Ms. Regner emphasized that Hopi Tribe funds are extremely limited, and said she is sure the tribe would not be able to match dollar for dollar. She suggested consideration of a non dollar-for-dollar match as well as an in-kind contribution.

Cochairman Laughter asked members to make a determination in regard to the Hopi Centers.

Cochairman Cirillo said it is his hope that the Navajo Nation will agree to a dollar match if it has the funds to do so, even if the Hopis are unable to match the funds. Cochairman Laughter said she believes what the Hopis decide will not affect the Navajo Nation, and that the two tribes are not in competition. She asked members to consider a vote on the three proposed Hopi senior centers at Kykotsmovi, Hotevilla and First Mesa Consolidated villages.

Ms. Benally said it was her understanding that the Hopis had been allowed one senior center. Cochairman Laughter confirmed that one center had been voted on, and invited discussion.

Cochairman Cirillo suggested that the project ready center be included in the first year's appropriation and the other two in the second year. Cochairman Laughter agreed that she would prefer to include all three Hopi centers in the bill. Mr. Willie said he concurred with Senator Cirillo's proposal for the time frame in order to improve the chances for the bill's passage, and Cochairman Laughter agreed.

Senator Cirillo moved that the three Hopi senior centers be included in the bill, the first center to be included in the first year's appropriation, and the other two centers in the second year appropriation. The motion carried by a voice vote.

The meeting recessed at 11:25 a.m.

The meeting reconvened at 12:25 p.m.

Mr. Willie recommended that the Committee consider a two-year funding mechanism, to include funding for those chapters listed on H.B. 2578 within the first year and the additional chapters during the second year. He noted that the amounts need to be changed to reflect the current figures.

A discussion of the amounts sought ensued. Mr. Willie agreed to provide an up-to-date schedule to include in the bill. He pointed out that because it has been agreed that parking lots will not be funded, Cameron, St. Michaels, Chinle and Lupton will not be included in the status report. (See Attachment 3).

Ms. Benally confirmed that the status report figures do not reflect matching money, and that the numbers can be halved if matching funds are required.

Mr. Blanco said Arizona Department of Economic Security (DES) would like guidance on disbursement of funds. Discussion ensued on the need for project funding to include planning, design, development and construction costs, and whether administration costs should be included.

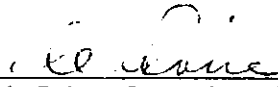
Cochairman Laughter invited a motion on the language of the proposed bill.

Mr. Huppenthal requested clarification that the Committee agrees to recommend legislation that encapsulates the health centers in a specific order; that no matching monies will be required from the tribes; that if matching monies are required the amounts will be cut in half; that the total cost

of the appropriation will include planning, design, development and construction of the building; that it will be a two-year process; and that H.B. 2578 will be resubmitted reflecting the same centers, but changes in the amounts.

Mr. Huppenthal moved that the Committee recommend legislation with the general structure of no match; that if the total is reduced it be cut in half; that it be a 2-year proposal; and that the general form be H.B. 2578 with the new amounts. The motion carried by a voice vote.

Without objection, the meeting adjourned at 12:46 p.m.



Carole Price, Committee Secretary

(Original minutes, attachment and tape on file in the Office of the Chief Clerk.)